

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 489

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO LOCAL IMPROVEMENT DISTRICTS; AMENDING SECTION 50-1722, IDAHO CODE, TO PROVIDE WHEN A LOCAL IMPROVEMENT DISTRICT IS CREATED BY RESOLUTION OF THE CITY COUNCIL THAT NO BONDS, REGISTERED WARRANTS OR INTERIM WARRANTS IN AN AMOUNT OF TWO HUNDRED FIFTY THOUSAND DOLLARS OR MORE MAY BE ISSUED UNLESS SUCH ISSUANCE IS APPROVED, EITHER BY NOT LESS THAN SIXTY PERCENT OR MORE OF THE RESIDENT OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT OR TWO-THIRDS OF THE OWNERS OF TAXABLE PROPERTY SUBJECT TO ASSESSMENT WITHIN SUCH LOCAL IMPROVEMENT DISTRICT VOTING ON THE QUESTION AT AN ELECTION CALLED FOR THAT PURPOSE AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 50-1722, Idaho Code, be, and the same is hereby amended to read as follows:

50-1722. BONDS -- REGISTERED WARRANTS -- INTERIM WARRANTS. If the council determines to make assessments payable in installments as is provided in section 50-1715, Idaho Code, it shall be by ordinance issued in the name of the municipality improvement bonds of the improvement district payable from assessments levied against the property within the district. Such bonds shall be payable each year from and after the date of the bonds and shall be of such denomination and bear interest, payable annually, at such rate as is determined by the council, but in no event shall such rate of interest be greater than the rate of interest borne by the unpaid assessments.

The bonds shall be in such form and denomination as may be provided by the council and they shall mature serially over a period not exceeding thirty (30) years. The council may reserve the right to redeem any of the bonds at its option on any interest payment at such price or prices as determined by the council. The bonds shall be signed by the mayor of the city, the chairman of the board of county commissioners, the president of the highway district, or the chairman of the board of directors of a water and/or sewer district, as the case may be, and shall be countersigned by the treasurer and attested by the clerk of the municipality. No bond or coupon shall be invalid because an officer whose manual or facsimile signature thereon has ceased to hold office at the time of the delivery of the bonds so long as he held the office at the time such signature was placed on the bond or coupon. The coupons attached thereto shall bear the facsimile signatures of said officers and each bond shall have the seal of the municipality affixed thereto. Each bond shall provide that the principal thereof and the interest thereon are payable solely from the principal of ~~an~~ and interest on the

1 unpaid assessments levied in the district to pay the total cost and expenses
2 of the project concerned.

3 In lieu of bonds, registered warrants may be issued under the same
4 circumstances and in the same manner as bonds, such warrants to be issued
5 in payment of any or all costs or expenses of the improvements to the amount
6 said costs or expenses were set out in the engineer's report. The warrants
7 shall be redeemable in numerical order and further shall be subject to all
8 provisions of this code relating to local improvement bonds so far as the
9 same may be applicable, including, but not limited to, the provisions of
10 sections 50-1762 ~~to~~ through 50-1769, Idaho Code.

11 If the council shall determine to issue and sell bonds, it may for
12 the purpose of meeting any cost and expenses of making the improvements,
13 as the same are installed prior to the sale of the bonds, issue interim
14 warrants of the district payable to the contractor, or other proper person,
15 upon estimates of the engineer, bearing interest at a rate provided by the
16 council, which interim warrants, together with the interest due thereon at
17 the date of the issue of the bonds, shall be redeemed and retired from the
18 proceeds of the sale of the bonds or prepayment of assessments.

19 Bonds issued hereunder shall have all the requisites of negotiable
20 paper under the Uniform Commercial Code, and shall not be invalid for
21 irregularity or defect in the proceedings for their issuance, sale or
22 delivery, and shall be incontestable in the hands of bona fide purchasers
23 or holders for value thereof. Nothing herein contained shall prohibit
24 any municipality from issuing bonds or warrants in the denomination of one
25 hundred dollars (\$100), or an even multiple thereof, except that bond number
26 1 of any issue may be of a denomination other than one hundred dollars (\$100).

27 When a local improvement district is created by resolution of the
28 council as outlined in section 50-1706, Idaho Code, no bonds, registered
29 warrants or interim warrants in an amount of two hundred fifty thousand
30 dollars (\$250,000) or more may be issued unless such issuance is approved,
31 either by not less than sixty percent (60%) or more of the resident owners
32 of taxable property within the district or two-thirds (2/3) of the owners
33 of taxable property subject to assessment within such local improvement
34 district voting on the question at an election called for that purpose and
35 held on the May or November dates provided in section 34-106, Idaho Code.
36 If approved, bonds, registered warrants or interim warrants of two hundred
37 fifty thousand dollars (\$250,000) or more may be issued.

38 SECTION 2. An emergency existing therefor, which emergency is hereby
39 declared to exist, this act shall be in full force and effect on and after its
40 passage and approval and shall apply to all issuance or reissuance of bonds,
41 registered warrants or interim warrants of one million dollars or more by a
42 local improvement district after the effective date of this act.